

2015 Reappraisal Cycle: A Change in Property Valuation

Almost all real estate in Montana is appraised for purposes of property taxation. The Montana Legislature set a two year tax appraisal cycle for agricultural, residential, and commercial property. Forest land is still on a six year appraisal cycle. The new reappraisal is being implemented this year, in 2015. The new valuations may trigger a number of appeals, particularly in high growth areas, which are likely to see the highest valuation increases.

In addition, as a part of reappraisal, the Department of Revenue has reviewed productivity standards for agricultural lands, resulting in an average increase of 17 percent due to strong commodity prices.

The Department of Revenue will send an appraisal notice to all agricultural, business, residential and forestland property owners in summer 2015. The valuation date for this cycle is January 1, 2014.

The appraisal notice is not the same as a tax bill. This distinction is critical because of the statutory timeline for appealing a valuation.

Taxpayers may appeal directly to the county tax appeal board or request an informal review of their valuations from the Department of Revenue by completing an AB-26 Form (Request for an Informal Review). The completed form is submitted to the local appraisal office. This step is not required but may resolve any issues about the valuation.

For residential, commercial, agricultural and industrial property, taxpayers have only 30 days from the date on the classification and appraisal notice to file a Form AB-26 and be eligible for a reduction in value for both years of the two-year appraisal cycle. If the Form AB-26 is not received within the 30-day time period, any reduction in value resulting from the Department of Revenue's review will be applicable only for the second year of the two-year appraisal cycle.

For forest land property, if the Form AB-26 is not received within 30 days from the date on the classification and appraisal notice, it will be considered for the following tax year and any reduction in value resulting from the Department of Revenue's review will be applicable for the remaining years of the six-year appraisal cycle.

If the results of the informal review by the Department of Revenue are unsatisfactory, the taxpayer or the taxpayer's agent may file a written application for reduction in value¹. The application may be obtained at the local DOR office or on the Montana Tax Appeal Board website (mtab.mt.gov) and must be filed with the Clerk and Recorder. The application must be submitted within 30 days of the date on the notice of classification and appraisal or from the decision by

¹ Section 15-15-102, MCA.

the Department of Revenue during the informal review process. If the appeal to the County Tax Appeal Board is not received within the 30-day time period, any reduction in value resulting from a decision of a County Tax appeal Board will be applicable only for the second year of the two-year appraisal cycle.

Filing the application with the County Tax Appeal Board begins the actual appeal process. At that time, the County Tax Appeal Board may set a hearing date. After the hearing, the taxpayer and the Department have the opportunity to appeal the county tax appeal board decision to the Montana Tax Appeal Board, and subsequently for judicial review.